

1907

EIGHTH ANNUAL REPORT

TO THE

STOCKHOLDERS

OF THE

AMERICAN CEMENT COMPANY,

OF NEW JERSEY.

FOR YEAR ENDING DECEMBER 31st, 1907.

PRESS OF ALLEN, LANE & SCOTT, PHILADELPHIA.

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AMERICAN CEMENT COMPANY
OF NEW JERSEY.

PRINCIPAL OFFICE IN THE STATE OF NEW JERSEY,
No. 419 Market Street, Camden.

PHILADELPHIA OFFICE,
603-610 Pennsylvania Building, Philadelphia, Pa.

REGISTRAR OF TRANSFERS,
The Investment Company of Philadelphia, North American Building, Philadelphia.

EXECUTIVE OFFICERS.

DECEMBER 31ST, 1907.

President,
ROBERT W. LESLEY.

Vice-President,
GEORGE W. NORRIS.

Second Vice-President,
JOHN H. CATHERWOOD.

Treasurer,
FREDERICK J. JIGGENS.

Secretary,
JOS. F. LENNIG.

Assistant Treasurer,
WILLIAM TRINKLE.

Directors :

December 31st, 1907.

ROBERT W. LESLEY	Philadelphia.
JOHN W. ECKERT	Allentown, Pa.
GEORGE W. NORRIS	Philadelphia.
JOHN H. CATHERWOOD	"
ROBERT K. CASSATT	"
CHARLES S. FARNUM	"
FRANK G. THOMSON	"
EDWARD WOLF	"
GEORGE H. B. MARTIN	Camden, N. J.



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AMERICAN CEMENT COMPANY

OF NEW JERSEY,

603-610 PENNSYLVANIA BUILDING, PHILADELPHIA, PA.

PHILADELPHIA, January 2d, 1908.

To the Stockholders of the American Cement Company of New Jersey:

During the past year the only change in the capitalization of your Company is that resulting from the cancellation of an additional \$32,000 of its First Mortgage and Collateral Trust Bonds, thus reducing the outstanding mortgage indebtedness upon your property from \$760,000 to \$728,000. By reason of this and previous payments of the same character which have been made out of income and credited against Property Account, there has resulted during the past eight years a reduction of this account by \$272,000. The interest charge on the Bond issue has been correspondingly reduced from \$50,000 to \$36,400.

During the year the Reserve Fund carried against doubtful accounts, depreciation of bags, &c., has been fully maintained, and the physical condition of your plants has been kept up to a high state of efficiency through expenditures and renewals, the expenditures for this latter account having been larger than during any period in the history of the Company, embracing practically the rebuilding, out of income, of the Egypt plant, one of the older mills of the Company.

The total production of your manufacturing companies during 1907 was 1,959,752 barrels. The aggregate of sales through your subsidiary Companies, including your own production and the foreign and other cements handled through your selling departments, reached a total of 1,890,054 barrels.

It is with pleasure that your Board is able to state that the past year justified its expectations of larger output and better profits than that of the previous year. In point of fact, while the prices in 1907 were lower than in 1906, the increased output of your plants enabled the Company to realize larger earnings than in 1906. As a matter of fact the profits for the year 1907 were the second largest in the history of the Company. By reference to the statement of earnings included in the Treasurer's report, it will be noted that the net earnings applicable to dividends, after the deduction of depreciation and all charges were equal to 16.55% upon your stock.

By reference also to the General Balance Sheet of the Company, your investment in the stock of the North American Portland Cement Company will be seen. During the year, license fees were paid under the rotary kiln patents to the North American Company by your corporation and the other corporations interested in the North American Portland Cement Company.

The North American Company during the year made many investigations of properties for the construction of new cement plants, and purchased one property on Lake Michigan, where it is expected a plant will shortly be built. At a meeting recently held in New York, some ten additional cement companies in the east and west took licenses and made agreements to pay royalties to the North American Portland Cement Company under the patents controlled by it, and an Association of Licensed Cement Manufacturers was formed of which your Company, the North American Company and the other five Companies comprising the North American Portland Cement Company, and the other new licensees, became members. The purpose of the Association is the improvement in manufacturing, technical research, freight economies, and other similar purposes in the cement industry, and for the protection and maintenance of the rights under the patents.

During the year, in addition to the \$32,000 of Bonds of the American Cement Company redeemed and cancelled, as previously noticed, there have been redeemed and cancelled \$16,250 Bonds of the Reliance Cement Company. As stated in last year's report, your Company became the owner of all the common stock of the Reliance Cement Company, through the purchase of the shares, then outstanding, in the hands of other parties, making

it the owner of over half the preferred stock and the entire issue of the common stock of the Reliance Cement Company.

The Reliance Cement Company is the owner of all the securities issued by the Central Cement Company, and on December 1st, 1907, it took up and cancelled the remaining \$5500 Bonds of the Central Cement Company then outstanding. The securities of the Reliance Cement Company are therefore the only securities of any constituent company now outstanding in the hands of the public, and they amount to \$568,750 Mortgage Bonds, and \$300,000 Preferred Stock, of which Preferred Stock your Company owns 3150 shares, or \$157,500.

During the past year, the Ironton Railroad Company, which has been the connecting link between the mills of your Company and the Lehigh Valley R. R. under long existing traffic arrangements, was extended to connect with the lines of the Philadelphia & Reading Railroad and the Central Railroad of New Jersey near Catasauqua. The effect of this extension has been to largely increase the traffic facilities of your mills and to give them a position, so far as railroad communication is concerned, second to none in the country. By reason of these additional facilities, the car famine which last spring curtailed your output to the extent of nearly 150,000 barrels, is a thing of the past, the three railroads mentioned, namely, the Reading, Central R. R. of New Jersey, and the Lehigh Valley R. R., during the car shortage of last fall, having shown their ability to fully cope with the situation. The effect of all this increased railroad communication is likely to make shipments much more stable and to largely widen the markets for your product.

The past year, as shown by your reports, was a very successful one, but in the fall months prices began to weaken and many of the smaller companies sold their cement at very low figures. With the panic of October, building operations, especially those of a large character, were almost absolutely suspended. Several of the largest contracts that your Company had, among them the McCalls Ferry Dam, were practically shut down, while others in the vicinity of New York were, in a measure, suspended. The natural effect of these stoppages in the fall and the car shortages in the spring was to lessen the output of your mills and to reduce the anticipated output of your Company, which it was expected that the new Reliance mill would very largely have increased beyond the increase shown in the report.

The coming year does not present a very brilliant outlook to the cement manufacturer, although we share the hope prevailing among manufacturers in other lines, that before spring there will be a general improvement in conditions.

At the last Annual Meeting of the stockholders, resolutions were adopted changing the par value of the stock from \$10 per share to \$50 per share. The stockholders have nearly all converted their stock, there being only about 1500 shares of the old stock of the par value of \$10 now outstanding.

The Treasurer's Report is appended herewith, covering statement of the earnings of all your Companies, General Profit and Loss Account from December 1st, 1906, to November 30th, 1907, and General Balance Sheet of all Companies as at November 30th, 1907; also Balance Sheet and Profit and Loss Account of the American Cement Company of New Jersey as at December 31st, 1907, and the certificate of audit of accounts by the Audit Company of New York. The net earnings, as stated, are after allowances for depreciation and reserves against accounts and bags to be returned.

The thanks of the Board of Directors are tendered the various officers and employees of the Company and its subsidiary companies, for their hearty co-operation in the work of the past year.

By order of the Board of Directors,

ROBERT W. LESLEY,
President.

TREASURER'S REPORT.

The report of the Treasurer and the certificate of The Audit Company of New York are herewith submitted.

To the President and Board of Directors:

GENTLEMEN:—I hand you herewith statements showing results of the Company's operations for the year ending December 31st, 1907.

I have made up and submit herewith an Income and General Profit and Loss account from December 1st, 1906, to November 30th, 1907, at which latter date our subsidiary Companies close their books, also General Balance Sheet as at November 30th, 1907, of the following Companies:—

American Cement Company of New Jersey.
 American Cement Company of Pennsylvania.
 Reliance Cement Company.
 Central Cement Company.
 Lesley & Trinkle Company.
 United Building Material Company.

STATEMENT OF EARNINGS AND EXPENDITURES FOR THE YEAR 1907.

Net earnings of subsidiary companies for the year ending November 30th, 1907.....	\$481,809.94	
Bond-interest and sinking fund American Cement Company of New Jersey paid and accrued to December 31st, 1907 (including \$32,000.00 bonds paid off and cancelled).....	\$67,975.00	
Bond-interest and sinking fund Reliance Cement Company, to November 30th, 1907 (including \$16,250.00 bonds paid off and cancelled)....	50,079.12	
Dividend preferred stock Reliance Cement Company to No- vember 30th, 1907.....	\$21,000.00	
Less amount received by American Cement Com- pany of New Jersey	11,025.00	
	9,975.00	
Bond-interest Central Cement Company to November 30th, 1907.....	330.00	
		128,359.12
		\$353,450.82
Interest, expenses and depreciation of American Cement Company of New Jersey.....	22,411.77	
		\$331,039.05
Dividends paid July 23rd, 1907, and due January 23rd, 1908.....		\$140,000.00
Surplus for the year	\$191,039.05	
Surplus from September 1st, 1899, to December 31st, 1906	375,456.43	
Surplus		\$566,495.48

 INCOME AND GENERAL PROFIT AND LOSS ACCOUNT

EXPENDITURES.

Depreciation Furniture and Fixtures, Quarry Development, Reserve for Bad Debts, Interest, $\frac{1}{3}$ Organization Expenses Reliance Cement Company.....		\$32,497.04
Bond Interest paid and accrued American Cement Company of New Jersey Bonds to November 30th.....		37,733.34
Sinking Fund, Bonds Redeemed and Cancelled, American Cement Com- pany of New Jersey Bonds (\$32,000.00 Bonds Redeemed) and Amount Accrued to November 30th.....		30,375.00
Bond Interest Paid and Accrued, Reliance Cement Company Bonds to November 30th.....		34,770.00
Sinking Fund, Bonds Redeemed and Cancelled, Reliance Cement Com- pany (\$16,250.00 Bonds Redeemed).....		15,309.12
Dividend Preferred Stock, Reliance Cement Company.....	\$21,000.00	
<u>Less</u> Amt. paid to A. C. Co. (N. J.).....	11,025.00	
		<u>9,975.00</u>
Bond Interest Paid and Accrued, Central Cement Company Bonds to November 30th.....		330.00
Expenses American Cement Company of New Jersey.....		18,347.76
Balance carried down.....		331,234.79
		<u>\$510,572.05</u>
Dividend Paid July, 1907.....		\$80,000.00
Balance carried to Balance Sheet.....		1,247,057.78
		<u><u>\$1,327,057.78</u></u>

FROM DECEMBER 1ST, 1906, TO NOVEMBER 30TH, 1907.

RECEIPTS.

Gross Profits.....	\$510,572.05
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\$510,572.05

By Balance brought down.....	\$331,234.79
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Surplus as at November 30th, 1906.....	\$1,075,822.99
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Less Dividend Paid January, 1907.....	80,000.00
---------------------------------------	-----------

995,822.99

\$1,327,057.78

GENERAL BALANCE SHEET AS AT

ASSETS.

Plant, Machinery, Real Estate in Pennsylvania, New York, and Virginia, Cement and Limestone Quarries, Patents, Railroad Rights of Way, Floats, Tools, Trade Marks, Goodwill, &c., &c.....	\$4,272,537.08
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Bonds and Stocks:

Reliance Cement Company Bonds.....	\$3,750.00	
Reliance Cement Company, Preferred Stock.....	157,500.00	
Reliance Cement Company, Common Stock (entire issue).....	500,000.00	
Central Cement Company, Common Stock " "	200,000.00	
Lesley & Trinkle Company, Additional Investment (500 shares, @ \$100.00 each	50,000.00	
North American Portland Cement Company, Common Stock.....	8,400.00	
North American Portland Cement Company, Preferred Stock.....	100.00	
American Cement Company of New Jersey, Scrip.....	233.00	
		919,983.00

Current Assets:

Cash in Banks and on Hand.....	54,083.12	
Bills Receivable.....	3,174.69	
Sundry Accounts Receivable.....	417,415.56	
Inventory, Finished and Raw Materials, Supplies, &c., &c.....	277,599.45	
<u>Total Current Assets:</u>		752,272.82
Suspense Account (Doubtful Accounts Receivable).....		6,359.83
Deferred Charges, Organization Expenses Reliance Cement Company and Legal Expenses, (Patents).....		8,608.06
<u>Total Assets</u>		\$5,959,760.79
		<u>\$5,959,760.79</u>

NOVEMBER 30TH, 1907.

LIABILITIES.

Capital Stock, American Cement Company of New Jersey.....	\$2,000,000.00
First Mortgage 5% Gold Bonds, original issue.....	\$1,000,000.00
Redeemed and Cancelled out of Earnings.....	272,000.00
	728,000.00
Reliance Cement Company, First Mortgage 6% Bonds original issue.	\$600,000.00
Redeemed and Cancelled out of Earnings.....	31,250.00
	568,750.00
Reliance Cement Company, Preferred Stock (See <i>Contra</i>).....	300,000.00
Reliance Cement Company, Common Stock (See <i>Contra</i>).....	500,000.00
Central Cement Company, Common Stock (See <i>Contra</i>).....	200,000.00
Mortgage on Lands, Reliance Cement Company.....	15,000.00
Reserves for Doubtful Accounts and Bags.....	27,514.44
<i>Current Liabilities:</i>	
Bills Payable.....	\$129,723.32
Sundry Accounts Payable.....	207,776.08
Bond Interest American Cement Company of New Jersey to November 30th (accrued but not due)	6,066.67
Sinking Fund, American Cement Company of New Jersey bonds to November 30th (accrued but not due).....	7,500.00
Bond Interest, Reliance Cement Company, due December 1st, 1907.	17,385.00
Dividend Preferred Stock, Reliance Cement Company “ “ “	4,987.50
<u>Total Current Liabilities.....</u>	373,438.57
<u>Total Liabilities</u>	\$4,712,703.01
Balance as per Profit and Loss.....	1,247,057.78
	<u>\$5,959,760.79</u>

For the further information of stockholders, I attach also a Profit and Loss Account and Balance Sheet of the American Cement Company of New Jersey (the proprietary Company) as at December 31st, 1907. It should be understood, however, that this statement covers only the operations and present condition of this particular Company, and shows only the excess of dividends received over and above dividends and expenses paid.

For a report of the full operations and conditions of the six companies which in the aggregate represent your interests, stockholders are referred to the General Balance Sheet and Profit and Loss Account on pages 8, 9, 10, and 11.

PROFIT AND LOSS ACCOUNT OF THE AMERICAN CEMENT COMPANY OF NEW JERSEY.

From January 1st, 1907, to December 31st, 1907.

RECEIPTS.

Dividends, American Cement Company of Pennsylvania, declared from earnings to November 30th, 1907.....	\$74,932.50
Dividends, Reliance Cement Company, declared from earnings to November 30th, 1907..	175,000.00
Dividends, Preferred Stock, Reliance Cement Company, to November 30th, 1907.....	11,025.00
Surplus as at December 31st, 1906.....	99,991.06
	<u>\$360,948.56</u>

EXPENDITURES.

General expenses, interest, and depreciation furniture and fixtures (10 per cent.).....	\$22,411.77
Jordan Works, expenses of maintenance.....	1,361.11
	<u>\$23,772.88</u>
Interest on American Cement Company of New Jersey bonds paid and accrued to December 31st, 1907.....	\$37,600.00
Sinking fund, American Cement Company of New Jersey bonds purchased and amount accrued to December 31st, 1907.....	30,375.00
Dividend paid July 23rd, 1907.....	80,000.00
Reserve for Dividend payable January 23rd, 1908.....	60,000.00
	<u>207,975.00</u>
Balance, being surplus carried to Balance Sheet.....	129,200.68
	<u>\$360,948.56</u>

BALANCE SHEET OF THE AMERICAN CEMENT COMPANY OF NEW JERSEY.

As of December 31st, 1907.

ASSETS.		
Purchase of property.....		\$2,316,298.11
Lesley & Trinkle Co., additional investment 500 shares at \$100.00 each.	\$50,000.00	
Reliance Cement Company, preferred stock.....	157,500.00	
Reliance Cement Company, common stock.....	500,000.00	
North American Portland Cement Company, preferred stock.....	100.00	
North American Portland Cement Company, common stock.....	8,400.00	
American Cement Company, Scrip.....	233.00	
		<hr/> 716,233.00
Cash in Fourth Street National Bank of Philadelphia.....	\$10,383.41	
Sundry Accounts Receivable.....	131.36	
		<hr/> 10,514.77
Furniture and Fixtures.....		931.61
		<hr/> \$3,043,977.49
LIABILITIES.		
Capital stock issued (authorized issue \$2,100,000.00).....		\$2,000,000.00
First mortgage 5 per cent. gold bonds outstanding, original issue.....	\$1,000,000.00	
Redeemed and cancelled out of earnings.....	272,000.00	
		<hr/> 728,000.00
Bills payable.....		52,500.00
Bond interest and sinking fund American Cement Company of New Jersey bonds accrued to December 31st, 1907.....		19,100.00
Reserve for dividend payable January 23rd, 1908.....		60,000.00
Due to subsidiary companies.....		55,176.81
		<hr/> \$2,914,776.81
Surplus, being balance brought from Profit and Loss Account.....		129,200.68
		<hr/> \$3,043,977.49

In accordance with the provisions of the mortgage of this Company, the following bonds were redeemed and cancelled, October 1st, 1907:—

October 1st, 1907. Bonds Nos. 6 and 7.....	\$2,000.00
October 1st, 1907. Bonds Nos. 372 to 380.....	9,000.00
October 1st, 1907. Bond No. 502.....	1,000.00
October 1st, 1907. Bonds Nos. 513 to 522.....	10,000.00
October 1st, 1907. Bonds Nos. 524 to 533.....	10,000.00
	<hr/> \$32,000.00

The Investment Company of Philadelphia has registered all certificates of Capital stock issued, and for such issuance, duly assigned certificates covering an equal number of shares have been surrendered and cancelled.

Respectfully submitted,

F. J. JIGGENS,
Treasurer.

CERTIFICATE OF AUDIT COMPANY.

THE AUDIT COMPANY OF NEW YORK,

Philadelphia Office,

Fifteenth and Market Streets, Arcade Building.

The American Cement Company of New Jersey:

We certify that the attached Profit and Loss Accounts and Balance Sheets have been audited by us and are correct according to your books and accounts.

After deducting allowances for depreciation, management expenses, doubtful accounts receivable, and maintenance of the Jordan Works, the profits for the twelve months ending November 30th, 1907, of the subsidiary companies, namely:—

American Cement Company of Pennsylvania,
Reliance Cement Company,
Central Cement Company,
United Building Material Company of New York,
Lesley & Trinkle Company of Philadelphia,

were \$481,809.94.

The expenses of the American Cement Company of New Jersey, including interest, amounted to \$22,411.77, the balance of \$459,398.17 being net earnings available for Bond Interest, Sinking Fund, and Dividends of the American Cement Company of New Jersey, Bond Interest, Sinking Fund, and Dividends on preferred stock of Reliance Cement Company, and Bond Interest of the Central Cement Company.

THE AUDIT COMPANY OF NEW YORK,

E. T. PERINE,
President.

F. C. RICHARDSON,
Secretary.

PHILADELPHIA, December 31st, 1907.

